



Fw: Dewey-Humboldt: North American Industries /Minex/Minexco/Ironite Products/Metex

Leah Butler to: Kim Muratore

07/14/2009 09:35 AM

History: This message has been replied to.

Hi Kim,

Please see William Emerson's email below. As far as I know, Minex LLC leases property from Kuhles Capital LLC. I don't know of any relationship Minex has with NAI.

Leah Butler
EPA Region 9
75 Hawthorne Street, SFD-6-2
San Francisco, CA 94105
(415) 972-3199
butler.leah@epa.gov

— Forwarded by Leah Butler/R9/USEPA/US on 07/14/2009 09:34 AM —

From: "William Emerson" <williamemerson@dhaz.gov>
To: <cross.mindi@azdeq.gov>, <garcia.veronica@azdeq.gov>
Cc: Leah Butler/R9/USEPA/US@EPA, "Len Marinaccio" <lmartinaccio@cableone.net>
Date: 07/13/2009 04:17 PM
Subject: Dewey-Humboldt: North American Industries/Minex/Minexco/Ironite Products/Metex

Good afternoon, Ms. Cross and Garcia.

I'm not sure which of your sections are involved, but I have some questions and would like to make you aware of the attached Environmental Assessment (EA) written by the BLM for a proposed mining operation on BLM-administered lands near Aguila, AZ. BLM is soliciting comments on this document. The Town of Dewey-Humboldt has an interest in this proposal because it involves transfer of approximately 150,000 tons of manganese mill tailings from the Ambrosia Mill Site near Aguila, AZ to the Iron King Mine Site for processing (over a 13 year period). The proposal was submitted to BLM by Minex LLC.

I am not familiar with "Minex's processing plant on private land at the Iron King Mine site near Humboldt, AZ" (p.3 of the pdf). The Iron King and NAI site has struggled with environmental compliance in the past, and you (the Arizona Department of Environmental Quality) have filed a lawsuit against a company near the site, owned by Clayton and Warren Kuhles, that alleges 10 violations at their Iron King landfill. I'm not sure how Minex relates to the Kuhles' activities, but the site is at least vulnerable to abuse.

There are 3 Minex companies registered to do business in Arizona. Two are Delaware LLC's with mailing addresses in Phoenix; but MINEXCD, LLC, is an Arizona limited liability company formed in 2005 with the address of PO Box 218, Humboldt, AZ 85329, owned by Heinz Brungs. We could not find anything on county records with Minex or Minexco, and no one with the last name of "BRUNGS" is in the Yavapai County Property Owner Database. MINEXCO appears to be in some kind of relationship with North American Industries: the address is the same, but MINEXCO is not the legal successor or a changed name of NAI; however, North American Industries was Ironite Products Company, which started out as **Metex**, Ltd. (emphasis added). Heinz was the president and CEO of NAI through early 2006, but its current president is Stephan Schuchardt.

Regardless of how Minexco is related to NAI, we are not sure where the processed product will go – deposit of the products on the Humboldt Iron King site is in direct violation of the Town's landfill

ordinance.

All that to say, please be aware of these developments. To help us with our own analysis, I have a couple of status questions regarding NAI et al :

- ⊕ Does NAI still have an approved dust control plan?
- ⊕ Does NAI continue to participate in the voluntary remediation program?
- ⊕ Is NAI still permitted with ADEQ for use of the site?

The Council is meeting next Tuesday night (July 21) to discuss these developments. Thanks!

William Emerson

Town Manager, Town of Dewey-Humboldt

www.dhaz.gov

P.O. Box 69, Humboldt, AZ 86329

928-632-7362

Esse quam videri



EA-210-08-011-minex.pdf



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Phoenix District
Hassayampa Field Office
21605 North 7th Avenue
Phoenix, AZ 85027
www.az.blm.gov



June 12, 2009

To Whom It May Concern:

The Bureau of Land Management (BLM) is accepting comments on National Environmental Policy Act (NEPA) Environmental Assessment (EA), number AZ-210-2008-011. This EA is related to Mining Plan of Operations (MPO) AZA-34334, submitted by Minex, LLC (Minex), for a proposed mining operation on BLM-administered lands. Pursuant to the regulations at 43 CFR 3809.411(c), BLM is soliciting public comments on the MPO through the NEPA document.

The site of the Proposed Action is the old Ambrosia Mill site, located along Eagle Eye Road, approximately 10 miles south of Aguila, in Maricopa County, Arizona. Minex plans to excavate and remove from the site approximately 150,000 tons of manganese mill tailings over a 13-year period, for processing on private lands offsite. The tailings were originally placed onsite when the mill last operated in the 1950s and 1960s.

In April 2009, X-Ray Fluorescence sampling by BLM found arsenic and manganese levels in the stockpiles onsite to be significantly above the Arizona non-residential Soil Remediation Levels and BLM's Risk Management Criteria. Accordingly, the public would continue to be excluded from the site, through the use of an existing fence and warning signs, or other appropriate means, until reclamation is complete.

All comments must be received in writing in our office by July 31, 2009. Comments on these documents may be made through the following four means (please do not send duplicates):

- 1) E-mail comments to: Michael_Rice@blm.gov
- 2) Mail: To the address in the letterhead
- 3) Hand Delivery: At the address in the letterhead
(Business Hours are Monday through Friday, 7:30 a.m. to 4:15 p.m.)
- 4) Facsimile: Fax comments to (623) 580-5580

Please reference AZA-34334 EA, AZ-210-2008-011 EA, or Minex Aguila Project EA in your comments. Consideration will be given to those comments that are received, and responses will be prepared as warranted. Contact Geologist Mike Rice, at (623) 580-5646, with any questions. Thank you.

Steven Cohn
Field Manager

**UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT, ARIZONA
HASSAYAMPA FIELD OFFICE**

EA#: AZ-210-2008-011

Proponent: Minex, LLC

Project Name: Aguila Project

BLM Contact Person: Michael Rice, Geologist

Minex Contact Person: Joe Fahey, President

Legal Description and Map Name: The Proposed Action would occur at the old Ambrosia Mill site in T. 5 N., R. 9 W., SE¼ of section 3, about 10 miles south of Aguila, Maricopa County, Arizona. The area is covered by the Tiger Well 7.5' USGS quadrangle, as shown in the Aguila Project 43 CFR 3809 Plan of Operations (AZA-34334), dated October 2007.

The proponent, Minex, LLC (Minex) owns three placer mining claims covering the tailings, as described below:

Claim	AMC No.	Legal Description
AM 1	386112	S ½ of SW ¼ of SE ¼ of Section 3, T5N, R9W
AM 2	386113	N ½ of SW ¼ of SE ¼ of Section 3, T5N, R9W
AM 3	386114	S ½ of NW ¼ of SE ¼ of Section 3, T5N, R9W

The claims are accessed by an existing road on the claims from Microwave Station Road, a public county-maintained road.

I. PURPOSE AND NEED

Background: The site of the Proposed Action is along Eagle Eye Road approximately 10 miles south of Aguila, Arizona in a broad valley southeast of the Harquahala Mountains (see Figure 1). The elevation ranges from about 2155 to 2230 feet above mean sea level (ASL).

The Ambrosia Mill (see Figure 2) was operated in the 1950s and 1960s to concentrate manganese ore from nearby manganese mines. About 150,000 tons of mill tailings, considered by Minex to still contain significant values, are stockpiled onsite.

In early 2008, Minex removed a bulk sample of 1,000 tons of tailings from the site under their 43 CFR 3809 Notice AZA-34405. Minex recently installed a three-strand wire fence (see Figure 3) completely surrounding the stockpiles, under their August 2008 43 CFR 3715 occupancy concurrence AZA-344050, for the purpose of hindering the theft of stockpiled manganese materials.

In April 2009, X-Ray Fluorescence (XRF) sampling by BLM found arsenic and manganese levels in the stockpiles onsite to be significantly above the Arizona non-residential Soil Remediation Levels and BLM's Risk Management Criteria.

Purpose and Need: The purpose of the action is to authorize Minex to: 1) excavate and load into trucks all stockpiles of manganese tailings on public land at the old Ambrosia Mill site, after which the tailings would be trucked to a processing facility on private land; and, 2) reclaim the site after removing the tailings. The need for the action is established by BLM's responsibility under the Federal Land Policy Management Act (FLPMA) and the 1872 Mining Law to respond to submissions of Plans of Operation pursuant to the regulations at 43 CFR 3809.

This Environmental Assessment (EA) has been prepared pursuant to section 102(2)(C) of the National Environmental Policy Act (NEPA), and in accordance with 40 CFR 1508.9, to assess the potential environmental impacts of removing these materials. Based on this evaluation of alternatives and potential impacts, the Bureau of Land Management (BLM) will make a decision regarding the approval of a plan of operations for the proposed removal of the tailings.

Conformance with Land Use Plan: The Proposed Action is subject to the Lower Gila North Management Framework Plan (1988), which was amended by the Final Amendment and Environmental Assessment to the Lower Gila North Management Framework Plan and the Lower Gila South Resource Management Plan, July 2005. This Proposed Action conforms to the land use plan terms and conditions as required by 43 CFR 1610.5.

The Proposed Action would also conform to the Agua Fria National Monument and Bradshaw-Harquahala Proposed Resource Management Plan and Final Environmental Impact Statement, June 2008.

Relationship to Statutes, Regulations or Other Plans or Policies: The BLM decision only authorizes use of BLM land. Use of non-BLM land (e.g., private land, National Forest, State Trust land) is subject to the agency or private landowners' permission. Public lands in the area are subject to the current Threatened & Endangered Species protocol and the Arizona Standards for Rangeland Health and Guidelines for Grazing Administration, approved June 1999.

The regulations at 43 CFR 3715.5 require that Minex's use and occupancy of the site conform to all applicable federal and state environmental standards.

The regulations at 43 CFR 3809.420(a)(6) require that Minex must conduct all operations in a manner that complies with all pertinent Federal and state laws.

BLM's authorization of the Proposed Action would include the requirement that Minex comply with the 43 CFR 3715 and 43 CFR 3809 regulations.

II. THE PROPOSED ACTION AND ALTERNATIVES

Description of the Proposed Action: The Proposed Action consists of loading manganese tailings from existing stockpiles, which cover 22 acres of public land at the old Ambrosia Mill site, into 25-ton capacity over-the-road haul trucks. The trucks would then transport the material off public land to Minex's processing plant on private land at the Iron King Mine site near Humboldt, AZ. Approximately 150,000 tons of manganese tailings would be moved offsite over a 13-year period, resulting in the addition of 2 haul trucks, and possibly 1 or 2 personal vehicles, per work day onto nearby Eagle Eye Road.

Under the Proposed Action there would be no onsite processing or facilities. Equipment repairs and maintenance would be conducted offsite, and fueling would be performed using a truck-mounted fuel tank. No chemicals or toxic substances would be used or stored onsite.

The proposed operation onsite would be conducted entirely on previously-disturbed, unreclaimed land. Tailings removal and concurrent reclamation would be conducted in stages, so that 11 areas, approximately 2 acres each in size (see Figure 4), would be sequentially excavated and reclaimed, with one stage being reclaimed while tailings are being removed from the next stage.

Reclamation would return the site to its approximate pre-disturbance contours and use. The soil underneath the stockpiles would be cleaned up to below ambient concentrations of metals, or below the applicable Arizona non-residential Soil Remediation Levels, whichever are greater. The site would be revegetated using the seed mix specified in the Plan of Operations, or as otherwise directed by BLM.

The public would continue to be excluded from the site, through the use of the fence and warning signs authorized under Minex's 43 CFR 3715 occupancy concurrence AZA-344050, or other appropriate means, until reclamation is complete. The fence and signs serve to prevent: 1) the theft of stockpiled materials; and, 2) the exposure of recreational users and other members of the public to metal concentrations above the Arizona non-residential Soil Remediation Levels and BLM's Risk Management Criteria.

The Proposed Action is described in detail in the Aguila Project Plan of Operations, a copy of which is located in the AZA-34334 case file. Please refer to that document for a full description.

No Action Alternative: The No Action alternative would be to leave the existing tailings stockpiles as they are and not reclaim the site.

III. AFFECTED ENVIRONMENT AND ENVIRONMENTAL CONSEQUENCES:

A. CRITICAL ELEMENTS NOT AFFECTED

The following critical elements would not be affected by the Proposed Action or alternatives because they do not occur at the site of the Proposed Action or because of the nature of the Proposed Action:

1. Areas of Critical Environmental Concern (ACEC): The Proposed Action is not within any existing or proposed Areas of Critical Environmental Concern. The Proposed Action would have no effect on any ACECs.

2. Wildlife / Threatened and Endangered Species: The Endangered Species Act of 1973 requires all Federal agencies to undertake programs for the conservation of endangered and threatened species, and prohibits from authorization, funding, or carrying out any action that would jeopardize a listed species or destroy or modify its "critical habitat".

A biological review of the Proposed Action was conducted on November 1, 2007, by Jay Vacca, Wildlife Biologist, BLM Hassayampa Field Office.

According to the report, the area does not contain suitable habitat for threatened, endangered, proposed or special-status species of wildlife or plants. The action does take place in category 2 desert tortoise habitat, but because no new disturbance is planned there should be no habitat loss or degradation.

Because the Proposed Action would be conducted entirely on previously-disturbed, unreclaimed land, impacts to wildlife would be minimal. Larger and more mobile species would likely avoid the area throughout the operations phase; however, smaller and less mobile species that may have taken up residence in the tailings would likely be crushed and killed. Minex would reclaim the site with a mix of native plants, trees and shrubs.

The Proposed Action would therefore have no significant impact on wildlife, and no effect on threatened, endangered or proposed species.

3. Cultural Resources: A cultural resources inventory, consisting of Class I (records search and literature review) and Class III (100% coverage, pedestrian, non-collection) surveys, was completed by SWCA Environmental Consultants (SWCA) in December, 2007. The archaeological survey of the project area resulted in the identification of one newly recorded archaeological site and no previously recorded properties that are listed in or recommended for listing in the National Register of Historic Places. Three isolated occurrences (IOs) were also recorded during the survey, and comprise two prehistoric occurrences and one historic occurrence. The IOs are ineligible for listing in the National Register.

Although new site represents the Late Historic remains of the once-operational Ambrosia Mill, no additional information can be gained by further fieldwork and the current undertaking has fully recorded the site. Although technically a historic site, the site has just recently passed 50 years of age. Archival records regarding this site's history have been thoroughly inspected, and there is little additional information to be gained by further field recording. Therefore, the site is not recommended as eligible for inclusion in the National Register, and no further archaeological work is recommended. The Proposed Action would have no effect on cultural resources.

4. Native American Religious Concerns: The results of the archaeological survey completed by SWCA, as well as existing archaeological and ethnographic information on this area, support the conclusion that the Proposed Action would have no effect on Native American religious concerns. The Harquahala Mountains, to the west, were an important habitation area for the Western Yavapai. The Proposed Action would remove a prominent visual intrusion from the viewsheds of known cultural sites in this mountain range.

5. Wild and Scenic Rivers: No part of the Proposed Action impacts a Wild and Scenic River, a congressionally authorized study river, or water resources below, above or on a stream tributary to a designated river or congressionally authorized study river. The Proposed Action would have no effect on wild and scenic rivers.

6. National Energy Policy: The National Energy Policy requires an evaluation of access limitations to Federal lands in order to increase energy production. The Proposed Action is not an energy exploration or development project and has no impact on potential oil and gas exploration and development, as the area is generally unsuitable for those actions. The Proposed Action would have no effect on National Energy Policy.

7. Wetlands/Riparian Zones: Wetlands are protected under the Clean Water Act and different criteria are used by agencies to classify wetlands to reflect variation in statutory protection and management objectives. No identified wetlands or riparian zones are within or near the proposed project area. The Proposed Action would have no effect on wetlands or riparian zones.

8. Prime Farmland: The proposed project is not located on land that is currently farmed or on land that could be farmed. The Proposed Action would have no effect on Prime Farmland.

9. Environmental Justice: EPA defines Environmental Justice as the fair treatment and meaningful involvement of all people regardless of race, color, national origin, or income with respect to the development, implementation, and enforcement of environmental laws, regulations, and policies. Fair treatment means that no group of people, including a racial, ethnic, or a socioeconomic group, should bear a disproportionate share of the negative environmental consequences resulting from industrial, municipal, and commercial operations or the execution of federal, state, local, and tribal programs and policies.

The site of the Proposed Action has no residential population in the immediate area. The Proposed Action would have no effect on Environmental Justice.

10. Wilderness: There is no designated wilderness area on the site of the Proposed Action or on the access road. The nearest Congressionally designated wilderness area is the Harquahala Mountains Wilderness, within 10 miles west of the Ambrosia Mill project site. The Proposed Action would have no effect on wilderness. It would remove a prominent visual intrusion (piles of black tailings) from the viewsheds that are visible from the higher, eastern elevations of the wilderness area.

11. Floodplain: Maricopa County Flood Control District regulates unincorporated areas lying within the 100-year floodplain, to evaluate and control the risk of possible flood damage. The 100-year floodplain is defined as the area adjoining a watercourse that would be covered by water during a flood event having a 1 out of 100 chance of occurring in any given year.

The 100 year floodplain has not been designated in this area. The Proposed Action would occur at an elevation of 2160 feet ASL and above. The nearest watercourse is Tiger Wash, located over 250 feet from the nearest point to be disturbed by the Proposed Action. The wash level at that point is approximately 2140 feet ASL or less. The Proposed Action would have no effect on floodplain.

B. CRITICAL ELEMENTS POTENTIALLY AFFECTED

The following Critical Elements are or could be affected by the Proposed Action. The potential impacts, and the mitigation measures to be used to reduce these impacts, are discussed below.

1. Air Quality: Dust control Permit E075252 was issued to Minex by Maricopa County Air Quality Department on December 20, 2007, covering the period from December 20, 2007 through December 20, 2008. Minex's current Dust Control Permit E084127 was issued on December 11, 2008, with an expiration date of December 12, 2009. This permit covers earthmoving, trenching, and road construction.

The regulations at 43 CFR 3809.420(b)(4) require that "All operators shall comply with applicable Federal and state air quality standards, including the Clean Air Act (42 U.S.C. 1857 *et seq.*)". BLM's authorization of the Proposed Action would include the requirement that Minex comply with the 43 CFR 3809 regulations.

Impacts of the Proposed Action: Impacts of the Proposed Action on air quality would be from dust release or equipment (rolling stock) emissions. All equipment would have current pollution controls as required by the EPA during manufacture. The Proposed Action would be conducted such that the standards of Maricopa County Rule 310 are met. Water would be used to control dust from earthmoving and hauling operations. Loads of material leaving the site would be covered. With the required dust control measures, this impact would not be significant.

Impacts of the No Action Alternative: The No Action Alternative would not have a significant effect on air quality.

2. Wastes, Hazardous or Solid: Solid wastes, including hazardous wastes, are regulated by the Resource Conservation and Recovery Act (RCRA). Hazardous waste comes in many shapes and forms. RCRA tightly regulates all hazardous waste from "cradle to grave." RCRA also controls garbage and industrial waste. Common garbage is municipal waste, which consists mainly of paper, yard trimmings, glass, and other materials. Industrial waste is process waste that comes from a broad range of operations. Other regulated wastes include waste oil and tires.

The regulations at 43 CFR 3809.420(b)(2) require that "All tailings, dumps, deleterious materials or substances, and other waste produced by the operations shall be disposed of so as to prevent unnecessary or undue degradation and in accordance with applicable Federal and state Laws." BLM's authorization of the Proposed Action would include the requirement that Minex comply with the 43 CFR 3809 regulations.

Impacts of the Proposed Action: On-site activities would generate about one cubic foot of municipal waste per week, consisting of lunch waste, empty cans and cardboard boxes. This waste would be removed to an off-site waste transfer station as it is generated. The mill tailings onsite would not be considered a waste product by definition because the operator considers them to have value.

No chemicals would be used in mining and no processing would be done on site. Equipment maintenance (including tire changing) would be done at off-site repair and maintenance facilities. No industrial or other wastes would be generated or accumulated.

All tailings material excavated would be transported off site to a processing plant on private land. No hazardous waste would be generated on-site.

The Proposed Action would not have a significant impact due to solid and hazardous waste generation.

Impacts of the No Action Alternative: The No Action alternative would have no effect on solid and hazardous waste generation.

3. Water Quality, Drinking or Ground: The State of Arizona is authorized by the Environmental Protection Agency (EPA) to issue its own version of the EPA's National Pollutant Discharge Elimination System MSGP for Industrial Activities, namely, the Arizona Pollutant Discharge Elimination System (AZPDES) Storm Water Multi-Sector General Permit (MSGP) for Industrial Activities. The Arizona Department of Environmental Quality (ADEQ) requires operators to obtain an Aquifer Protection Permit (APP) prior to the disturbance of pre-existing mill tailings. Section 404 of the Clean Water Act prohibits dredging or filling of jurisdictional waterways without a permit from the US Army Corps of Engineers.

The regulations at 43 CFR 3809.420(b)(5) require that "All operators shall comply with applicable Federal and state water quality standards, including the Federal Water Pollution Control Act, as amended (30 U.S.C. 1151 *et seq.*)". BLM's authorization of the Proposed Action would include the requirement that Minex comply with the 43 CFR 3809 regulations.

Impacts of the Proposed Action: The area is dry, receiving about 10 inches of precipitation in a normal year. Storms can bring enough rain to cause release from the property. Storm water impacts would be minimized by controls and best management practices, as detailed in the Águila Project Storm Water Pollution Prevention Plan (SWPPP), a copy of which is located in the AZA-34334 case file. Please refer to that document for more detail.

The EPA's MSGP issued in 2000 (MSGP 2000) expired in 2005, and along with it, Arizona's MSGP (issued 2002). The EPA did not issue a new permit, MSGP 2008, until September 2008. The ADEQ is in the process of approving a new MSGP but has not released it as of this date. Current guidance from the ADEQ is for operators to prepare a SWPPP and implement the control measures of the new MSGP 2008. Minex has prepared a SWPPP and implemented appropriate control measures.

The Proposed Action would require that Minex secure an APP before commencing operations. BLM's approval of the Plan of Operations would be contingent upon Minex obtaining an APP.

On December 28, 2007, the Corps of Engineers issued a letter stating that the Proposed Action is not subject to jurisdiction under Section 404 of the Clean Water Act.

Impacts of the No Action Alternative: If no controls are applied to the project area, the area would over time continue to release fine materials from the abandoned tailings stockpiles to local washes.

4. Noxious Weeds: On February 3, 1999, Executive Order 13112 was signed, requiring Federal agencies whose actions may affect the status of invasive species to use relevant programs and authorities to: (i) prevent the introduction of invasive species; (ii) detect and respond rapidly to

and control populations of such species in a cost-effective and environmentally sound manner; (iii) monitor invasive species populations accurately and reliably; (iv) provide for restoration of native species and habitat conditions in ecosystems that have been invaded; (v) conduct research on invasive species and develop technologies to prevent introduction and provide for environmentally sound control of invasive species; and (vi) promote public education on invasive species and the means to address them; and not authorize, fund, or carry out actions that it believes are likely to cause or promote the introduction or spread of invasive species.

Impacts of the Proposed Action: Although unlikely, the Proposed Action could have a minor impact if seeds from noxious weeds are transported by vehicle chassis or clothing. Any weeds that can germinate in the area would be removed as part of a weed and fire fuel control strategy. During reclamation, the area would be revegetated with native species.

Impacts of the No Action Alternative: The No Action alternative is more likely to have an impact, as seed transferred by grazing or wind would be more likely to travel into the area, and the lack of weed controls would allow weeds to spread.

5. Recreation and Travel Management: The general area is used by the public for dispersed recreational activities, including horseback riding, off-highway vehicle (OHV) recreation, hunting and camping. There are no known horse trails within the project area although there are several non-maintained dirt roads, including three spur roads leading into the project site. Over the past several years, the project site had become a popular unofficial OHV play area due to the tailings stockpiles providing hill climb challenges for all-terrain and utility vehicles (ATVs and UTVs). However, the recent installation of the perimeter fence around the project area cut off public access from the spur roads to the site thereby eliminating the unmanaged, unsafe and potentially hazardous recreational use of the site.

Impacts of the Proposed Action: The removal of the tailings and reclamation of the mill site would eliminate associated potential physical and environmental hazards to public safety in the long-term. The project will not have a long-term impact to dispersed horseback riding, OHV sightseeing travel, hunting and camping in the area as none of the primary roads in the area will be closed. Vehicular travel on the primary access road between Eagle Eye Road and the project site may be restricted for short periods of time from the haul trucks or moving of heavy equipment.

Impacts of the No Action Alternative: The tailings stockpiles could pose potential physical and environmental hazards to the recreating public if the existing fence and warning signs are not regularly inspected, maintained or replaced by the applicant and/or the BLM.

6. Visual Resources Management (VRM): Under the existing land use plan, the project area is classified as Class IV for visual resources which allows for major modifications to the existing character of the landscape. Under the proposed land use plan, the area is classified as Class II in which the objective is to maintain or improve the existing landscape character.

Impacts of the Proposed Action: The action meets the VRM objectives of both plans due to the eventual removal of all black tailing piles which currently represent an unsightly visual disturbance. This, combined with the subsequent reclamation of the site which includes

revegetating the area, would provide unobstructed views of the surrounding desert landscape and substantially improve the aesthetics of the site itself.

Impacts of the No Action Alternative: The tailings stockpiles would continue to be a prominent visual intrusion and disturbance of visual qualities of the natural landscape.

7. Cumulative Impacts: Cumulative impacts are the impacts on the environment which result from the incremental impact of the action when added to other past, present, and reasonably foreseeable future actions, regardless of what agency (Federal or non-Federal) or person undertakes such other actions. Cumulative impacts can result from individually minor but collectively significant actions taking place over a period of time (40CFR1508.7).

Cumulative Impacts of the Proposed Action: The Proposed Action would reduce the impact of inactive mining and processing sites in the general area by removing the manganese tailings and associated potential health and safety hazards, and recontouring and revegetating the site for beneficial use. The visual quality of the area would be enhanced by restoring the area to a more natural landscape. Recreational opportunities, such as OHV and camping, would increase as a result of the reclamation of the site.

The Proposed Action would add an average of 2 haul trucks, and possibly 1 or 2 personal vehicles, per work day onto nearby Eagle Eye Road. According to the Maricopa County website, the Average Daily Traffic Count on the adjacent section of Eagle Eye Road was 267 vehicles in July 2007, when winter visitor traffic would have been at a low point. Therefore, the effect of the Proposed Action on local traffic counts would be an increase of about 1%.

Cumulative Impacts of the No Action Alternative: The No Action alternative would require expenditure of federal or state funds to reclaim and maintain the abandoned site. The site would continue to pose a potential safety hazard and a visual intrusion that would be visible from points in the nearby Harquahala Mountains Wilderness Area.

8. Mitigation Measures: Minex would be required to comply with the Performance Measures (see Appendix 1) found in the Finding of No Significant Impact (FONSI) and Programmatic Environmental Assessment for Selected Actions for Mining Claim and Millsite Use and Occupancy in Arizona (11/97). Minex would also be required to comply with the Performance Measures listed at 43 CFR 3809.420, as well as all applicable Federal and state environmental regulations.

The existing perimeter fence and warning signs will be maintained, regularly inspected and quickly repaired as necessary, or other appropriate means employed, in order to continue to exclude the public from the site, until reclamation is complete. The fence and signs serve to prevent: 1) the theft of stockpiled materials; and, 2) the exposure of recreational users and other members of the public to metal concentrations above the Arizona non-residential Soil Remediation Levels and BLM's Risk Management Criteria.

Minex would be required to implement the site sampling and monitoring plan developed under its ADEQ Aquifer Protection Permit including, for example, the installation of groundwater monitoring wells, or other measures stipulated in the APP, until reclamation is complete.

Before beginning operations, Minex would be required by 43 CFR 3809.412 and §3809.551 to provide and maintain an acceptable reclamation bond and financial guarantee to BLM. Reclamation would be deemed successful when; 1) the pre-existing stockpiles of manganese tailings have been removed from the site; 2) the soil underneath the stockpiles has been tested and found to contain metal concentrations below ambient concentrations of metals, or below the applicable Arizona non-residential Soil Remediation Levels, whichever are greater; 3) the site is returned to its approximate pre-disturbance contours; and, 4) the site is revegetated using the seed mix specified in the proposed Plan, or as otherwise directed by BLM.

IV. INDIVIDUALS, ORGANIZATIONS AND AGENCIES CONSULTED

The following permits and approvals were considered in the preparation of this Environmental Assessment:

Corps of Engineers Section 404 (Clean Water Act) Permit. Maps and photographs of the site were submitted to the Arizona-Nevada District Office of the US Army Corps of Engineers, which has jurisdiction over the area of the Proposed Action. Ms. Cindy Lester, P.E., Chief, Arizona Branch, Regulatory Division, issued a letter on December 28, 2007, indicating that a Section 404 Permit is not required.

Arizona/National Pollutant Discharge Elimination System Permits. The Proposed Action would be covered under the Arizona Pollutant Discharge Elimination System (AZPDES) Storm Water Multi-Sector General Permit (MSGP) for Industrial Activities. The EPA's MSGP issued in 2000 (MSGP 2000) expired in 2005, and along with it, Arizona's MSGP (issued 2002). The EPA did not issue a new permit, MSGP 2008, until September 2008. The ADEQ is in the process of approving a new MSGP but has not released it as of this date. Current guidance from the ADEQ is for operators to prepare a SWPPP and implement the control measures of the new MSGP 2008. Minex has prepared a SWPPP and implemented appropriate control measures.

Air Quality Permit. Maricopa County requires a Dust Control Permit for operations disturbing more than 0.1 acre. Minex has obtained Maricopa County Dust Control Permits E075252 (expired) and E084127 (current).

An Air Quality Permit is only required for facilities that exceed limits for certain air pollutants, and for facilities using generators with engines of 325 brake horsepower or greater. Pollutant limits include TSP (dust), 25 tons per year (tpy); PM₁₀ (fine dust), limit 15 tpy; and generator exhaust gasses. The Proposed Action does not include use of a generator. Potential to emit calculations included in the Plan of Operations indicate that emissions will be well below dust and PM₁₀ permit thresholds. Therefore, an Air Quality Permit is not required.

Aquifer Protection Permit (APP). An APP is required under ARS 49-241 for facilities that "discharge" as defined in ARS 49-201. The Arizona Department of Environmental Quality requires operators to obtain an APP prior to the disturbance of pre-existing mill tailings. The Proposed Action would require that Minex secure an APP before commencing operations. BLM's approval of the Plan of Operations would be contingent upon Minex obtaining an APP.

County Zoning. Mining is exempt from county regulation under ARS 11-830, which states that counties cannot "...prevent, restrict or otherwise regulate the use or occupation of land or improvements for railroad, mining, metallurgical, grazing or general agricultural purposes, if the tract concerned is five or more contiguous commercial acres."

Mine Identification Numbers. Mr. David Brown of the Mesa, Arizona Mine Safety and Health Administration (MSHA) office was contacted by Minex to obtain a MSHA identification number. Mr. Brown stated that an MSHA identification number is not required for operations involved in loading from stockpiles. Mr. Wes Cruea of the Arizona Mine Inspector's Office (ASMI) was also contacted and indicated that an ASMI identification number is not required for the same reason.

Well Registration. The Arizona Department of Water Resources (ADWR) requires registration of wells. Minex's well near the site is registered to Minex, ADWR Reg. No. 55-647969.

V. LIST OF PREPARERS/REVIEWERS

Mining and Environmental Consultants

Fred Brost, President

Bureau of Land Management, Hassayampa Field Office

Byron Lambeth, Range Management Specialist, Weeds Coordinator

Connie Stone, Archaeologist

Jay Vacca, Wildlife Biologist

Jim Andersen, Lead Realty Specialist

Matt Plis, Lead Geologist

Mike Rice, Geologist

Mary Skordinsky, Lead Recreation Planner

Penny Foreman, Recreation Planner

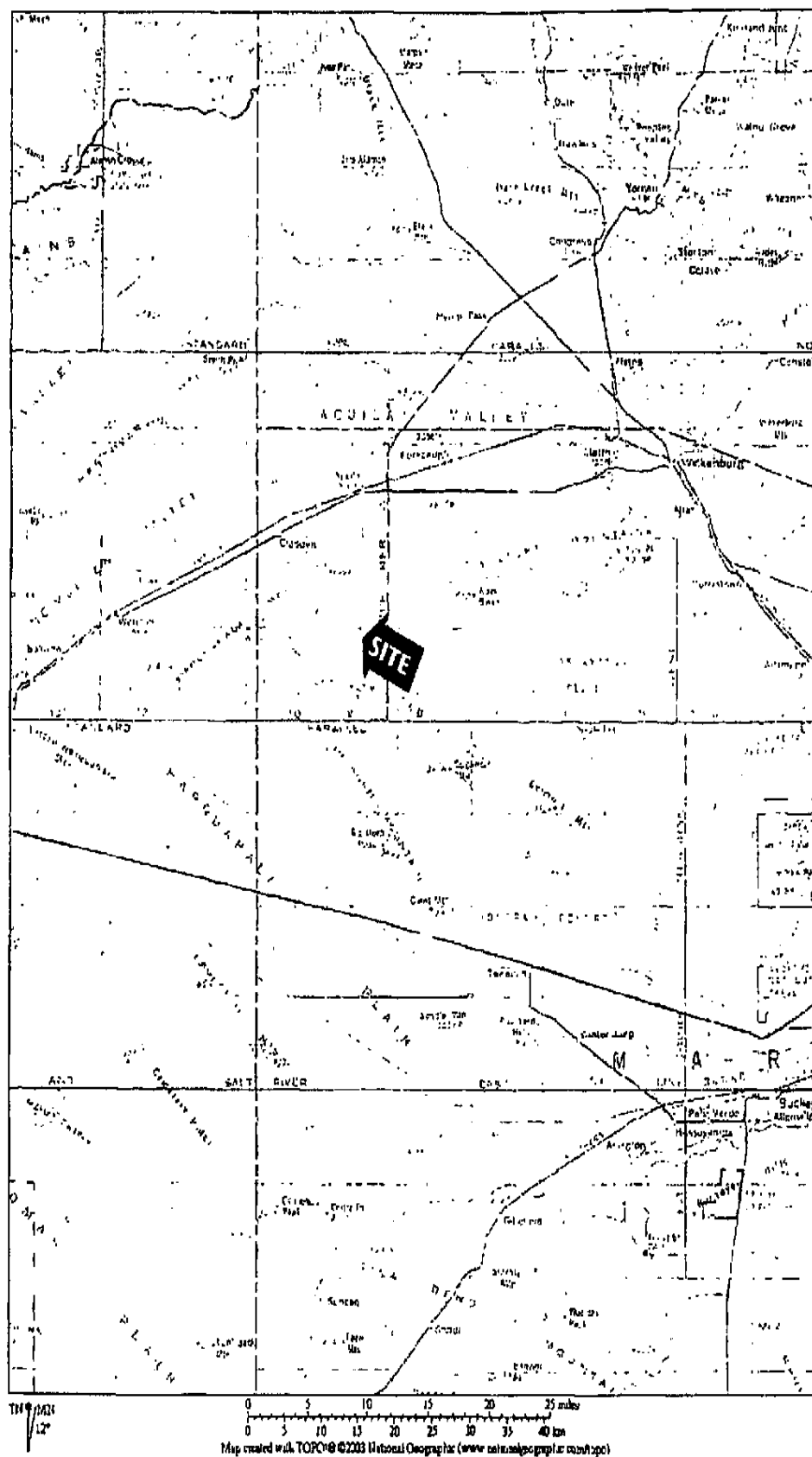


FIGURE 1
MINEX AGUILA PROJECT
LOCATION MAP

Figure 1. – Minex Aguila Project location map.

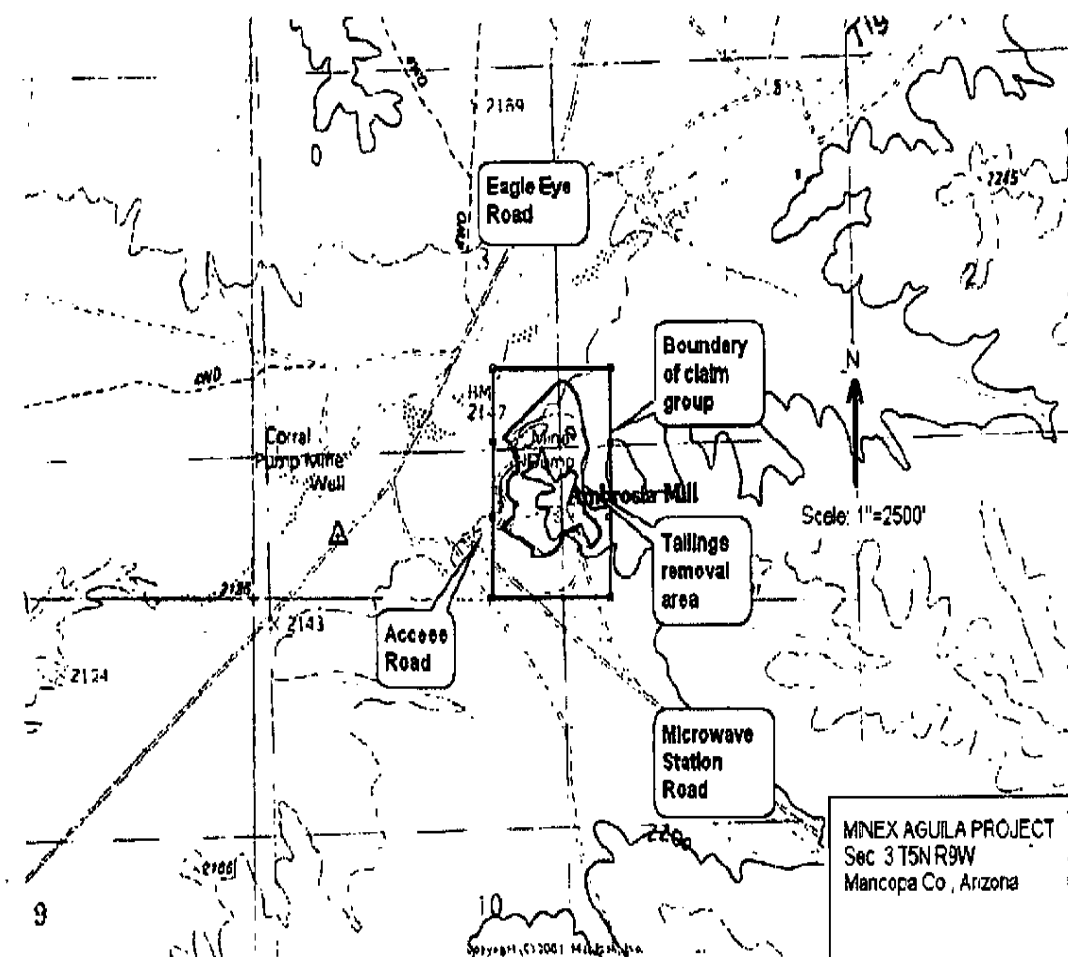


Figure 2. – Map showing the location of the Ambrosia Mill site, about 10 miles south of Aguila, AZ, which is the location of the Proposed Action.

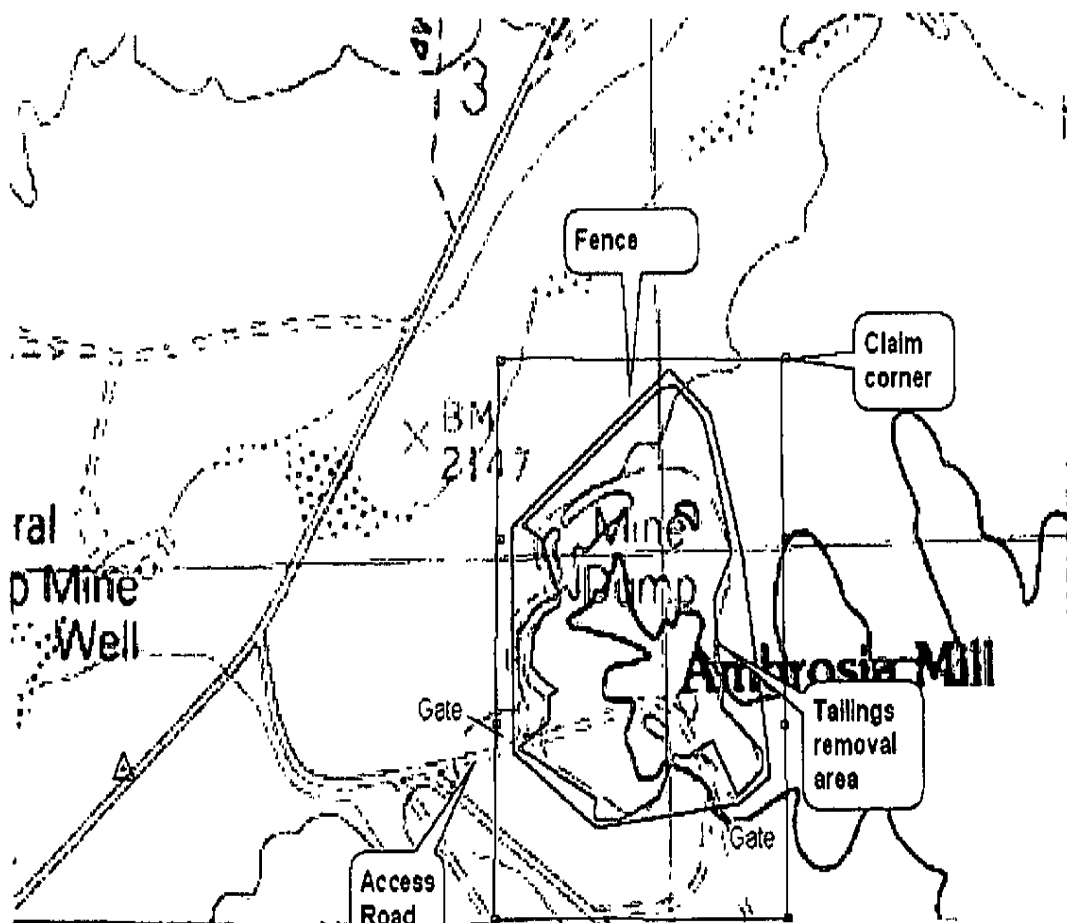


Figure 3. – Map showing the location of the perimeter fence around the stockpiles at the Ambrosia Mill site. The recently installed fence was authorized under Minex's 43 CFR 3809 Notice AZA-34405, and 43 CFR 3715 occupancy concurrence AZA-344050.

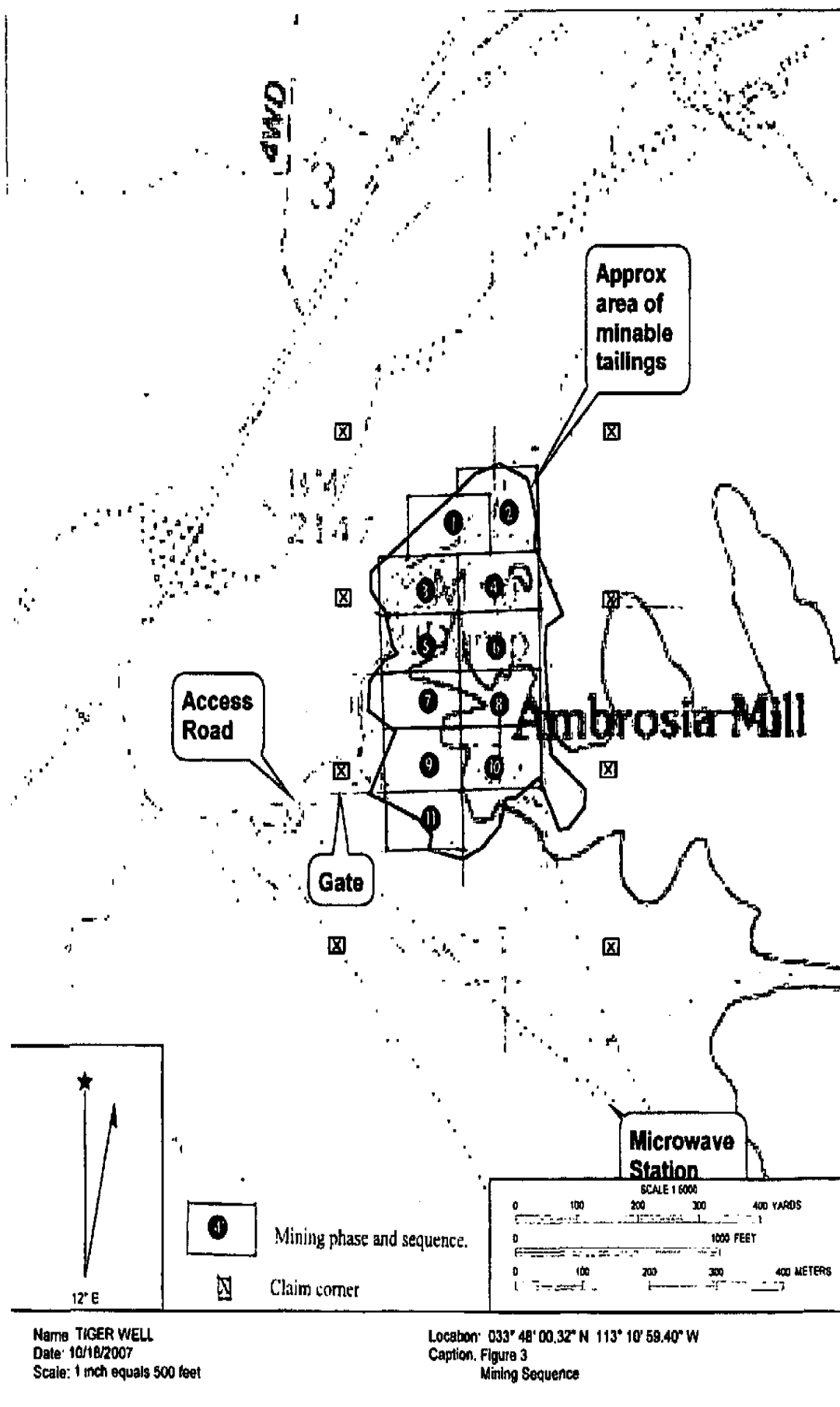


Figure 4. – Map showing the sequence in which two-acre areas of the stockpiles onsite would be removed and reclaimed under the Proposed Action.

Appendix 1

Performance Measures for AZA-34334

1. Facilities and Equipment: All facilities and equipment on a mining claim or millsite must be appropriate and reasonably incident to prospecting, mining, or processing operations. All equipment and facilities must be presently operable, subject to the need for reasonable assembly, maintenance, repair, or fabrication of replacement parts. Facilities, methods and equipment must be appropriate to the terrain, mineral deposit, and stage of mineral development. BLM will utilize the Compliance Assessment - Safety, Health, and the Environment Protocol Manual for the Bureau of Land Management and/or the Safety and Health Management BLM Manual Handbook (H1112-1) for guidelines for the inspection of facilities (excluding residential facilities) on a mining claim.

All structures used and/or occupied by a mining claimant or operator must be noted in the 3715 filing. Any structures that existed before the subject regulations, not claimed on a 3715 filing may become, at the discretion of management, the property of the United States. If an operator/claimant claims the right to possess and use a pre-existing building on his/her claim, and if this structure is determined by BLM to be historically significant, BLM may require the operator/claimant to restore the structure to its original condition.

If at any time, reasonably incident activities cease, and inspections by BLM personnel reveal that observable on-the-ground activities have stopped, BLM may terminate the concurrence and order all or part of the use and occupancy to stop and be removed from the public lands.

Single structures for the storage of compatible chemicals and housing of equipment or supplies will be encouraged over the use of several small outlying structures when practical. Temporary structures such as tents, campers, or trailer homes will be encouraged over the use of permanent structures such as buildings, homes or cabins. When practical, you must use flat lying areas, with low erosion potential, as the preferred site for all facilities. All operations must have at least one (1) ABC type fire extinguisher on site at all times.

BLM's written concurrence for the occupancy must be kept on the mine property and presented to any BLM personnel requesting to see it.

All operations must be kept neat, clean and free of debris. The facilities must present a safe work environment for the employees and facilities must be constructed to meet all applicable electrical, mechanical, safety and public health codes and/or regulations. All operations must be conducted in strict accordance with Occupational Safety and Health Administration (OSHA) and Mine Safety and Health Administration (MSHA) regulations and the Arizona Mining Code administered by the Arizona State Mine Inspector (SMI).

2. Vehicles: All automobiles and motor homes on mining claims or millsites must have current registration. All off-highway motor vehicles (any motorized vehicle when operated off of highways on either land, water, snow, or ice) must have current registration if used on roads outside of the mining claim. BLM off-highway vehicle designations must be followed outside of the mining claim. In addition, the claimant or operator will allow no vehicle or piece of equipment to be parked or positioned in a way that impedes the normal flow of traffic.

3. Structure Condition: The exterior of all buildings (including roofs) and trailers on public lands and other related outdoor structures must be in good physical condition, well maintained, well painted or otherwise treated to protect against deterioration and kept clean and in good repair. BLM may specify paint colors to limit visual impacts. The operator is responsible to insure that all structures meet State, county, or local electrical, mechanical, safety and public health codes.

4. Chemical Storage: All chemicals must be stored, according to Department of Transportation standards, in approved containers with proper labeling. Rusted, dented, leaking or otherwise damaged containers must be removed from the public lands. All buildings used for the storage of chemicals must be placarded and storage of reagents in quantities exceeding a 14 day supply will not be allowed. Chemical and fuel storage facilities on public lands must be used to store only those chemicals and fuels essential for mining, milling, and processing operations occurring on the public lands. Incompatible chemicals must be protected from each other and stored in a manner that does not present a hazard. All operations must be conducted in strict accordance with Occupational Safety and Health Administration (OSHA) and Mine Safety and Health Administration (MSHA) regulations and the Arizona Mining Code administered by the Arizona State Mine Inspector (SMI). Operators must submit a complete list of all the chemicals they plan to store on their claims or millsites with Material Safety Data Sheets. BLM through its inspection program, will monitor operations to see that only essential chemicals, in appropriate quantities, are stored on site.

5. Fuel and Petroleum Product Storage: All petroleum product storage tanks and barrels, placed above ground, must be in a bermed area. The bermed area must be lined with an impervious lining. The bermed area must be able to contain 110% of the capacity of the tank(s) and/or barrels. Facilities that store 1320 gallons of oil or more or 660 gallons in a single tank must have a Spill Prevention Control and Countermeasures Plan (SPCC) 40 CFR 112.20 (a). These plans must be developed and then approved by a registered professional engineer. The SPCC plan must determine if the facility can cause "substantial harm to the environment". If it does, then a Facility Response Plan is also required.

6. Mobile Homes: No permanent foundations will be erected for mobile homes. No mobile home will have an enclosed deck or add-on room. Porches may be installed, but any porch will be easily removable from the mobile home. Porches will not be enclosed with any material, except for screening. Roll-up sunshades are also permitted. Mobile homes must have at least 10 feet between them.

7. Authorized Number, Types and Uses: The mine operator will not exceed the number or type of structures specified in the approved 3715 filing. All structures must be removed within the time frames stated in the 3715 filing. The operator/claimant must furnish the BLM a copy of the Aquifer Protection Permit before operations begin, whenever an APP is required.

BLM will coordinate with the claimant or operator to ensure that the number of people required to reside on a mining claim or millsite will be sufficient to perform the tasks of mining and/or milling and to provide for site security. BLM will also work with the claimant or operator to insure that only the number of people required for operations and site security will be in residence (making a home) on the claim at any time. Based on this consultation and the subsequent environmental analysis, BLM will specify the maximum number of people, including family members, that can reside on the claim for more than 14 days in any 90 day period.

8. Beginning operations: As required by Titles 18 and 27 of the Arizona Administrative Code, the claimant or operator must submit a "Notice of Start-up, Move, or Stop for Portable Equipment and Mine Operations" whenever operations begin, move or are suspended. It is the operator's responsibility to send BLM a copy of the written notification from the Arizona State Mine Inspector that this form was received.

9. Tanks: Liquid Petroleum Gas storage, used for household purposes, will not exceed one hundred and twenty five (125) gallons at each mobile home, cabin, or house. Each tank will be installed, mounted, and maintained in a way that meets all applicable safety code provisions. At a minimum this means chained to the structure.

10. Appliances and Yard Furniture: Except water softeners, evaporative coolers and air conditioners, no household appliances of any kind will be installed or stored outside of a structure. Only furniture designed and constructed for exterior use is permitted outdoors. Tables, grills, and fire-containing devices will be repaired as necessary to assure proper function, rigidity, support and appearance.

11. Fire Prevention: Consistent with all applicable laws and subject to reclamation, vegetation must be cleared for a minimum distance of:

- 30 feet from all structures.
- 15 feet from any site on which a fire will be built and flammable ground litter must be cleared for at least a 5 foot radius around the fire.
- 15 feet from any site where welding, grinding, or any other spark producing operation will be performed.

Spark arrestors must be used on chainsaws, quad-runners and motorcycles.

12. Grounds: Grounds will be well maintained, safe, uncluttered, and free of litter and debris. All operations will provide a clean, and maintained view for the public from any roadways or thoroughfares by which the public may approach or pass mining operations on BLM lands.

13. Pets: Nonessential animals and/or free-roaming pets or animals are not allowed.

14. Waste and Sewage Handling and Removal: The term "waste" as used herein means all discarded matter including, but not limited to human waste, trash, garbage, refuse, petroleum products, ashes and equipment. Refuse will be stored in receptacles that have covers and lids, are painted, undented, waterproof, and both vermin and raven proof. Wastes will be disposed of in accordance with local laws. This should be an ongoing effort and unused equipment, trash, refuse, and litter should be removed periodically to maintain the highest aesthetic standards achievable during mining operations. The mine operator will provide an effective system for the collection and disposal of garbage and trash. This will be done by contracting with a trash removal firm, or with appropriate public entities, or through self efforts of the operator or any combination of these methods as directed by the Field Manager. Wastes shall be disposed of in a sanitary landfill unless otherwise approved by the Field Manager.

All sewage treatment facilities will be constructed and operated in accordance with all necessary permits utilizing accepted engineering practice and procedures. The operator/claimant must have a septic permit from the county in which the septic system is located before the system can be operated.

15. Public Signs: Public signs for which the operator is responsible must be appropriately located, accurate, attractive and well maintained. Permanent signs will be prepared in a professional manner, consistent with BLM standards and must be approved by BLM before installation.

16. Mine Wastes: If mined materials are removed from the public lands for processing, it will be the responsibility of the claimant or operator to insure that wastes generated in processing these materials are not hazardous materials or toxic wastes, if such wastes are to be returned to the public lands for disposal. BLM, at the discretion of the Field Manager, may require sampling of the wastes and subsequent analytic procedures to verify that such wastes are not hazardous materials or toxic wastes. The claimant or operator will pay the costs of sampling and analytic procedures.

17. Explosive Storage: All explosive storage, regardless of the class of explosive or the amount stored inside the magazine, shall meet the requirements of the Arizona Revised Statutes Title 27.

18. Fences: BLM will attempt to keep the public lands open to public entry at all times. But, where public health and safety is a primary concern or it is essential that access be limited to protect valuable mining equipment or supplies from theft or loss, BLM will authorize the

placing on public lands of fences, gates, and signs to limit public access. Where public safety is a paramount concern, BLM may, at the discretion of the Field Manager, use administrative procedures to formally close the lands to public entry using the procedures specified by 43 CFR 8364.

Where fences, gates, and signs must be built and maintained for site security or for public safety, the BLM will determine, through a site inspection that such enclosures are reasonable. Should the claimant or operator be ordered to build and maintain fenced enclosures or post signs by either MSHA, OSHA or the SMI, the claimant must provide written proof of such an order to BLM before authorization is given and actual construction can begin. All fences and gates will be constructed to protect livestock and wildlife in the area. Exact specifications for fences and gates will be developed on a site-specific basis using information obtained in the biological assessment performed by BLM. Minimum requirements for fences are in the BLM Manual Handbook H-1741-1, Fencing.

Whenever fences, gates, or signs are placed on the public lands, BLM, will require the claimant or operator to post public directions on the fence or gate showing routes to public lands around or behind the fenced enclosure. The exact nature of the posting to be used will be decided on a case by case basis by the Field Manager. Whenever locked gates are used, BLM will require the claimant or operator to give BLM a key or use a system of double locks.

19. Reclamation: Regulations at 43 CFR 3809.1-1, require that all operations will be reclaimed. Occupancy site reclamation will include, but is not limited to, complete removal of all structures, regrading, replacement of topsoil or growth medium and establishing native vegetation to establish a diverse, effective, and permanent vegetative cover to reflect the post mining land use. All reclamation operations will be conducted in accordance with the BLM Solid Mineral Reclamation Handbook (H-3042-1).

Actions and Activities Not Allowed

The cultivation of crops and establishment or garden plots.

Activities including animal maintenance or pasturage. This includes the construction of corrals, chicken coups, kennels and stables.

The development of small trade or manufacturing concerns, hobby and curio shops, cafes, tourist stands, and hunting and fishing camps.

The storage, treatment, processing, or disposal of non-mineral, hazardous or toxic waste that are generated elsewhere and brought onto the public lands.

Any activities involving recycling or reprocessing of manufactured material such as scrap electronic parts, appliances, photographic film, and chemicals.

Searching for buried treasure, treasure trove or archeological specimens is strictly prohibited by the subject regulations.

Blocking access to the public lands through the placement of berms, wire cables, stones, vegetative debris or other materials placed on roads constructed on public lands.

Living in abandoned busses, truck trailers, other abandoned vehicles, adits, tunnels or caves.



Fw: MINEX Millsite

Leah Butler to: Stonebrink.Brian, Kim Muratore

07/14/2009 01:14 PM

Some info from BLM.

Leah Butler

EPA Region 9

75 Hawthorne Street, SFD-6-2

San Francisco, CA 94105

(415) 972-3199

butler.leah@epa.gov

----- Forwarded by Leah Butler/R9/USEPA/US on 07/14/2009 01:14 PM -----

From: Michael_Rice@blm.gov
To: Leah Butler/R9/USEPA/US@EPA
Date: 07/13/2009 05:39 PM
Subject: MINEX Millsite

Dear Leah:

As requested, I am sending some maps and photographs that will hopefully be of assistance to you. The two maps were included with the EA and the photographs I obtained from the internet. Please let me know if this information is of any help. If I knew in particular what information you are seeking to obtain from the maps, I might be able to better assist you.

On a related matter, I do not see that I sent you the letter regarding sampling methodology. I will send in a separate e-mail.

Regards,

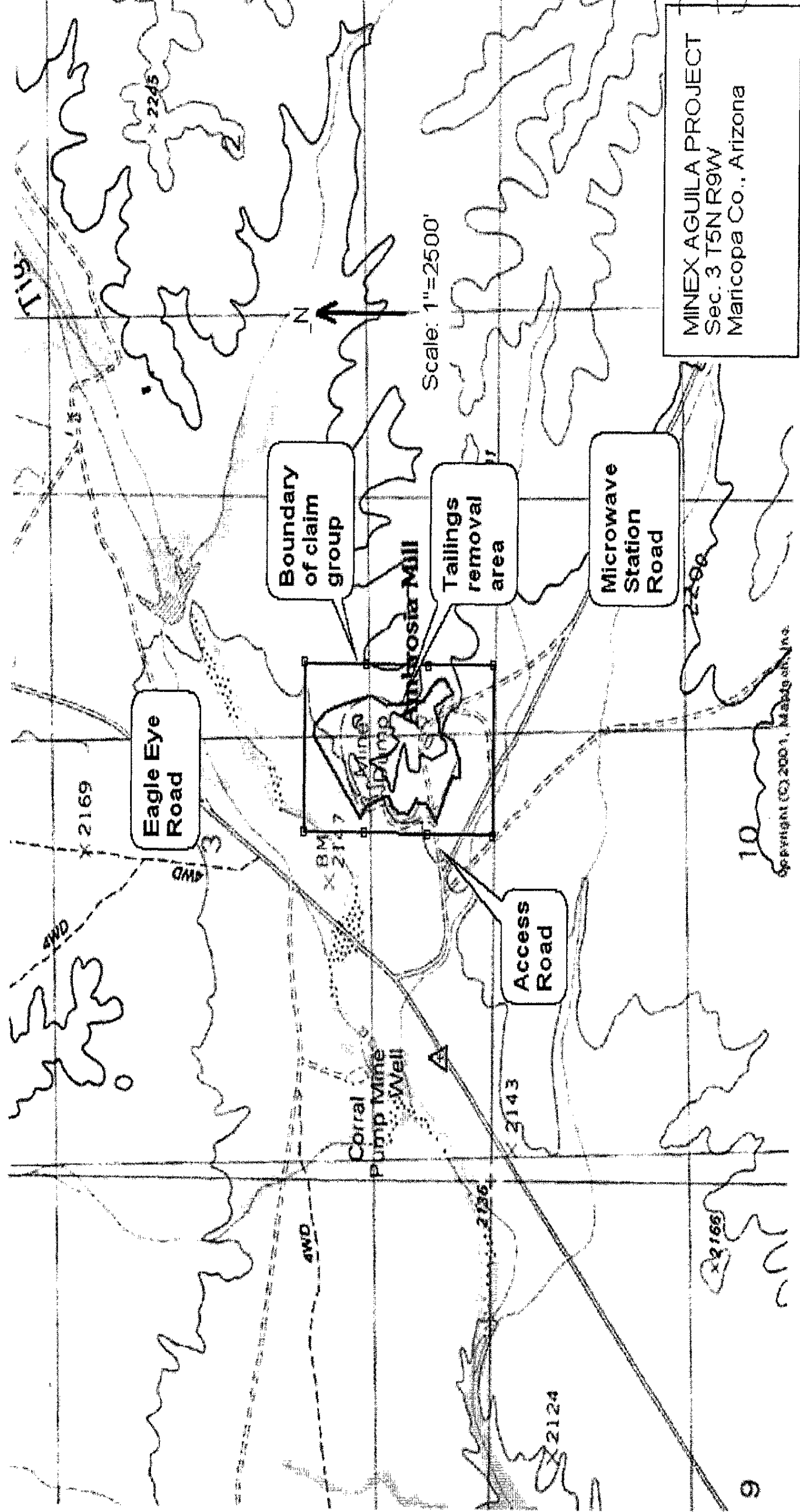
Michael Rice - Geologist
BLM Phoenix District
Hassayampa Field Office
21605 North 7th Avenue
Phoenix, Arizona 85027
Phone: 623-580-5646
Fax: 623-580-5580
E-mail: Michael_Rice@blm.gov



[attachment "AZA34334_EA_Figure2.JPG" deleted by Michael J Rice/HFO/AZ/BLM/DOI] EA drawing.pdf



AZA34334_EA_Figure2.JPG MINEX LLC 1a.JPG MINEX LLC.JPG



MINEX AGUILA PROJECT
Sec. 3 T5N R9W
Maricopa Co., Arizona

Boundary
of claim
group

Tailings
removal
area

Microwave
Station
Road

Eagle Eye
Road

Access
Road

Aguila Mine

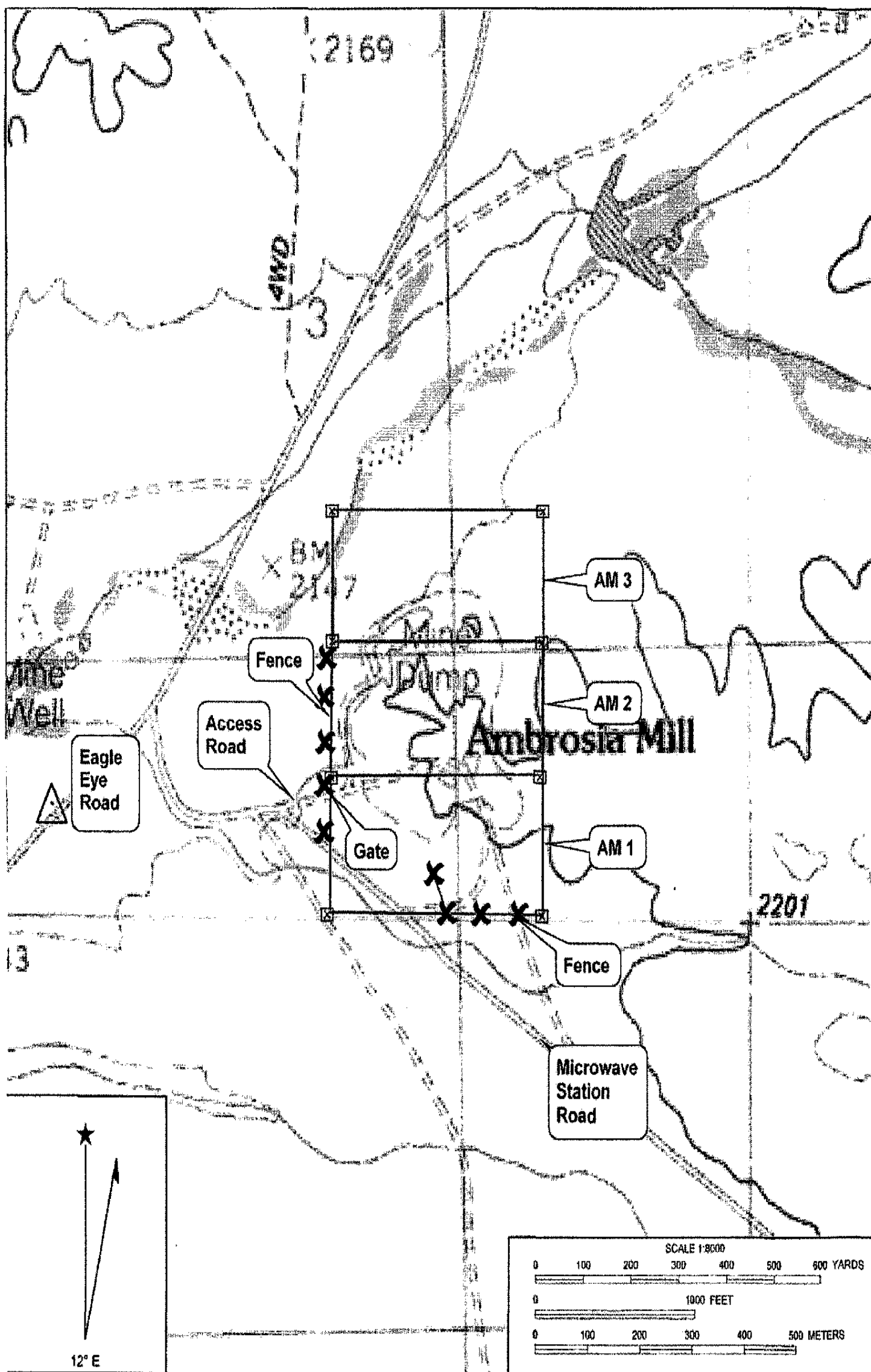
Corral Mine
Pump Well

Scale: 1"=2500'

Copyright (C) 2001, Madgach, Inc.

10

9



Name: TIGER WELL
 Date: 10/19/2007
 Scale: 1 inch equals 667 feet

Location: 033° 48' 00.25" N 113° 10' 55.99" W
 Caption: FIGURE 2 - SITE PLAN
 Sec 3, T5N, R9W